



DEPARTMENT OF  
**FINANCE**

ARNOLD SCHWARZENEGGER, GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

October 6, 2008

Mr. Mark Leary, Executive Director  
California Integrated Waste Management Board  
1001 I Street, MS-1  
P.O. Box 4025  
Sacramento, CA 95812-4025

Dear Mr. Leary:

**Final Audit Report—City of Los Angeles, CIWMB Grant Agreement SWC1-01-35**

Enclosed is the final report on our audit of the City of Los Angeles' (City) Solid Waste Disposal and Codisposal Site Cleanup Grant agreement SWC1-01-35 for the reporting period March 1, 2002 through January 1, 2006. The Department of Finance, Office of State Audits and Evaluations (Finance), performed this audit under an interagency agreement between Finance and the California Integrated Waste Management Board (Board). The objective of our audit was to determine whether the city complied with applicable laws, regulations, and grant requirements.

The City complied with the fiscal requirements of its grant agreement. Because there were no audit findings or issues requiring a response, we are issuing the report as final. The enclosed report is for your information and use. We have also sent a copy to the City. In accordance with Finance's policy of increased transparency, the final report will be placed on the Finance website.

We appreciate the assistance and cooperation of the City's staff. If you have any questions regarding this report, please contact Kimberly A. Tarvin, Manager, or Zach Stacy, Supervisor, at (916) 322-2985.

Sincerely,

***Original Signed by:***

David Botelho, CPA  
Chief, Office of State Audits and Evaluations

Enclosure

cc: On following page

cc: Mr. Enrique Zaldivar, Director, Department of Public Works, Bureau of Sanitation, City of Los Angeles  
Mr. Robert Tanowitz, Manager, Department of Public Works, Bureau of Sanitation, City of Los Angeles  
Mr. Tom Estes, Deputy Director, Administration and Finance Division, California Integrated Waste Management Board  
Ms. Susan Villa, Branch Manager, Administration and Finance Division, California Integrated Waste Management Board  
Mr. George Mendoza, Audit Manager, Audit and Evaluation Unit, California Integrated Waste Management Board  
Mr. Wes Mindermann, Supervisor, Cleanup, Closure and Financial Assurance Division, California Integrated Waste Management Board  
Mr. Glen Young, Supervisor, Cleanup, Closure and Financial Assurance Division, California Integrated Waste Management Board  
Mr. Mustafe Botan, Grant Manager, Closure and Financial Assurance Division, California Integrated Waste Management Board

# GRANT AUDIT

---

## City of Los Angeles Grant Agreement

SWC1-01-35

Prepared By:  
Office of State Audits and Evaluations  
Department of Finance

## **MEMBERS OF THE AUDIT TEAM**

Kimberly A. Tarvin, CPA  
Manager

Zach Stacy  
Supervisor

Staff

Renato Lim

This report is also available on our website at <http://www.dof.ca.gov>

You can contact our office at:

Department of Finance  
Office of State Audits and Evaluations  
300 Capitol Mall, Suite 801  
Sacramento, CA 95814  
(916) 322-2985

# TABLE OF CONTENTS

---

Executive Summary ..... 1

Background, Scope, and Methodology ..... 2

Results ..... 4

## EXECUTIVE SUMMARY

---

In accordance with an interagency agreement with the California Integrated Waste Management Board (Board) the Department of Finance, Office of State Audits and Evaluations, performed a compliance audit of the City of Los Angeles's (City) Solid Waste Disposal and Codisposal Site Cleanup Grant SWC1-01-35.

The objective of the audit was to determine whether the City complied with applicable laws, regulations, and grant requirements. The audit was conducted in accordance with *Generally Accepted Government Auditing Standards* (GAGAS), issued by the Comptroller General of the United States.

No reportable findings were identified for grant number SWC1-01-35.

This report is intended for the information and use of the City and the Board and is not intended to be and should not be used by anyone other than the specified parties. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

# BACKGROUND, SCOPE, AND METHODOLOGY

---

## **Background**

In 1993 the Legislature enacted the Solid Waste Disposal and Codisposal Site Cleanup Act (Act) (Public Resources Code Sections 48020, Article 2.5) to cleanup solid waste disposal sites, codisposal sites, and anywhere else cleanup is needed to protect public health and safety or the environment. The Legislature authorized the California Integrated Waste Management Board (Board) to carry out the Act's program. To finance this program, the Act created the Solid Waste Disposal Site Cleanup Trust Fund (Fund 0386). Fund 0386 is continuously appropriated, and the Board can expend \$5,000,000 annually from the fund.

To carry out the objectives of the Act, the Board issues Solid Waste Disposal and Codisposal Site Cleanup (SWC) grants. These grants provide financial assistance to public entities in the form of reimbursements of up to \$500,000, to help accelerate the pace of cleanup and to restore sites.

The City of Los Angeles (City) was awarded \$430,000 in grant agreement SWC1-01-35 for the period March 1, 2002 through January 1, 2006. This grant agreement provided funding to design, construct, and install a trash collection system at the Thurman Avenue drainage basin using a commercial off-the-shelf trash collection system. As part of the terms and conditions for receiving the grant award, the City matched 100 percent of the grant amount.

## **Scope**

In accordance with an interagency agreement, the Department of Finance, Office of State Audits and Evaluations, conducted a compliance audit of the City's Solid Waste Disposal and Codisposal Site Cleanup Grant. The objective of the audit was to determine whether the City's grant revenues and expenditures were in compliance with applicable laws, regulations, and grant requirements. In order to design adequate procedures to evaluate fiscal compliance, we obtained an understanding of the internal controls.

We conducted our audit in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*, issued by the Comptroller General of the United States. The City is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations and grant requirements. We did not assess the efficiency or effectiveness of program operations. The Board is responsible for evaluating the efficiency and effectiveness of the program operations.

## **Methodology**

To determine whether grant revenues and expenditures were in compliance with applicable laws, regulations and the grant requirements, we performed the following procedures:

- Visited the project site
- Interviewed key personnel
- Examined the grant files
- Reviewed grantee's accounting records
- Determined whether a sample of expenditures were:
  - Allowable
  - Grant related
  - Incurred within the grant period
  - Supported by accounting records
  - Properly recorded

The results of our audit are based upon our review of documentation and other information made available to us. The audit was conducted from July through September 2008.



The Department of Finance, Office of State Audits and Evaluations completed the audit of grant agreement SWC1-01-35. Based on the audit procedures performed, the City of Los Angeles met the fiscal requirements for the grant agreement and there were no findings or questioned costs. The claimed and match amounts are presented in the table below.

<b>Grant Number SWC1-01-35</b> <b>For the Period March 1, 2002 through January 1, 2006</b>		
<b>Categories</b>	<b>Total Claimed</b>	<b>Total Match</b>
Clean-up/Removal	\$302,131	\$302,131
Engineering Services	46,500	46,500
<b>Total</b>	<b>\$348,631</b>	<b>\$348,631</b>